



Top Tips for Finding Federal Contracts

By: Tom Linnertz

North Dakota District Office

Searching the web for contracts can be a frustrating experience. For those who are not familiar with an internet contract search, a simple search can present a list of contracts which can take days to review. You end up asking yourself: How can I simplify the effort while still keeping it effective?

Tip #1: Make sure you are listed on ProNet and the U.S. Department of Defense Central Contractor Registration (CCR). You cannot bid on solicitations unless you are listed on these two websites.

Tip #2: Check out the government agency "Wish List". This is the first of two areas that most vendors should track. The first area is what many government agencies call their "Wish List". This is a list of projects/contracts that, if the money is available, the government agencies would like to have done. The wish list is also called a Presolicitation List. The items on the wish list may or may not ever happen. By watching this list you can maintain a "heads-up" as to projects which may be in planning.

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Who Wants to Take the Credit?

By: Mike Gallagher

North Dakota District Office

What would you say if we told you there was "free" money? Would you be interested in finding this cash if it could help your business and help others in the process? Would you give some thought to planning if it resulted in dollars in your pocket?

This probably sounds like one of those commercials you see on late-night TV. Perhaps you have seen ads in the paper or the guy yelling at you about getting free money. Generally, if it sounds too good to be true, it probably is, but your elected officials have given you the opportunity to put cash in your pocket through a process they call "tax credits".

If you have a child under the age of 17, you are probably familiar with credits. In 2002, you could take \$600 off your taxes for each child under the age of 17. This is \$600 you do not have to pay. It is cash in your pocket. There are tax credits for business activities as well.

The important thing about tax credits in business is you generally have to do some planning. If you are going to make a business decision to hire employees, purchase equipment or locate your business, you will want to determine the tax consequences of your decision. This is where it takes good, sound tax advice. Looking for tax credits after the year is completed, but before you file your taxes is often too late to make the most effective use of this cash-generating activity.

There are several tax credits that are offered to you as a business owner if you hire certain types of employees. The Work Opportunity Tax Credit is available if you hire a member of a family that is receiving, or recently received, Temporary Assistance

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to Needy Families (TANF) or Aid to Families with Dependent Children (AFDC). Under the Welfare to Work credit, you can take a credit of 35% of the qualified first-year wages for each qualified employee, and 50% of qualified second-year wages for each qualified employee. In other words, you can help a person through employment and help yourself to a tax credit. This is not small change; it can be as much as \$3,500 an employee in the first year and \$5,000 in the second year.

As I mentioned earlier, you have to do some planning to make this work. Firstly, you want to contact Job Service North Dakota to make sure you are looking for and hiring “qualified” employees. It’s too late to do this after they start working. For more information, visit the Job Service website at <http://www.state.nd.us/jsnd/> or call one of their local offices. You can reach the state office by calling 1-800-732-9787.

There are tax credits available if you hire 16 to 24-year-old individuals that are residents of an Empowerment Zone (EZ). Parts of Griggs and Steele Counties are in an Empowerment Zone. The Griggs-Steele EQ is the only one in North Dakota. If you are interested in locating your business in the EZ to take advantage of tax credits, visit their website at <http://www.griggs-steeleez.org/> or call (701)524-02240.

There are many more credits that businesses can use to lower their taxes, put cash in their pocket and help others in the process. Take a little time. Visit your tax professional. Do a little research on what is available. The IRS website is a good place to start: <http://www.irs.gov/>.

The federal government offers countless programs that assist small businesses in developing and growing. A little preparation and inquiry may yield a significant dividend for you, your business, and your community.❖

DO YOU KNOW?

Q. When was the first sales tax enacted in North Dakota? What was the rate?

A. The first general sales tax in North Dakota was enacted in the 1935 Session of the State Legislature.

The tax rate was 2%.

The Check Isn’t in the Mail

By: Eric Giltner

Grand Forks Business Information Center

Businesses are faced everyday with the problem of dealing with accounts receivables that are past due. Collections often get inadequate attention because bill collecting is one of the least favorite activities of managers and controllers. The work is mundane, requires detailed attention to records and dates, and communications with customers related to receivables can be emotionally charged.

Collecting receivables is not simply a matter of chasing after customers with phone calls and letters, but results from having a total credit strategy.

When most businesses open their doors, they are initially concerned with providing customers with a quality product or service. The concept of devising a complete and comprehensive credit policy is normally at the bottom of a long list. The main concern is to “create sales” by meeting customer needs, and that usually includes the extension of credit. Only when faced by demands for payment by creditors and slow receipts from customers does a business recognize the need for an effective cash management system.

Collecting receivables is not simply a matter of chasing after customers with phone calls and letters, but results from having a total credit strategy. To implement an effective credit strategy, a business must:

1. Decide on payment terms;
2. Perform credit checks;
3. Choose which personnel to involve;
4. Monitor receivables;
5. Follow up problem accounts; and
6. Identify when to look outside the company for assistance.

It is never too late to implement an effective and efficient cash management program. If you want to learn more about how to improve your credit situation, please contact the SBA resource nearest you for additional assistance. They can be located at <http://www.sba.gov/ed/>. ❖

Electronic IRS Provides Customer Friendly Information

By: Mike Gallagher
North Dakota District Office

Most individuals and small businesses have just completed their taxes for 2002. In the process you have probably become all too familiar with the tax forms, publications and other services of the IRS. Perhaps you've visited their website at <http://www.irs.gov/>. If you have not visited the IRS website you really ought to give it some thought. Securing publications and forms is significantly easier through the IRS site than getting into your car and driving to the nearest post office, library, or IRS office.

At this point you may wish to forget about the whole tax thing for another year, but tax questions and tax responsibility in small business is not a once a year effort. The IRS website can be a life-saver for those individuals or businesses looking at starting a business or in dealing with employment or tax situations.

The IRS offers a helpful On-Line Classroom that provides access to information 24 hours a day, seven days a week, all through the year. Through video streaming, you can participate in workshops on eight different subjects without leaving your chair. Through the six modules, you are provided an introduction and closing as well as information on subjects such as Business Structure, Payroll Taxes, Electronic Filing, Business Expense Deductions, Recordkeeping, and the Small Business Website.

You may find it a bit of a challenge to find the On-Line Classroom on the IRS site, but it's worth the effort. Adding the site to your favorites may be a good solution for frequent users. Its address is <http://www.irs.gov/businesses/small/article/0,,id-97726,00.html>. Besides the virtual classroom, this page offers a link to the Small Business Tax Calendar and the Bank of America Small Business Resource Center.

Small Business Tax Workshops have been a successful offering in North Dakota for over 20 years. The CD-ROM and PowerPoint presentation on the topics offered through these workshops are also available on the website. In cooperation with the

SBDC, North Dakota Tax Department and other state and federal agencies, Small Business Tax Workshops are offered in all areas of North Dakota throughout the year. Visit the Small Business Development Center (SBDC) website at <http://www.ndsbdc.org/> for a listing of all training offered.

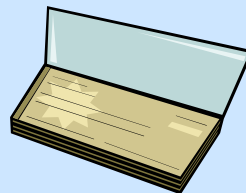
In addition to the commonly used forms and publications, the IRS site offers special assistance. The site <http://www.irs.gov/businesses/small/article/0,,id=104593,00.html> provides comprehensive information on the Offers in Compromise program and how to use this important option. The program provides a useful mechanism for settling tax claims with the IRS.

If you are an international taxpayer looking for information for your specific tax needs, you may wish to visit <http://www.irs.gov/businesses/small/international/index.html>. This page will help both overseas U.S. taxpayers and foreign taxpayers in this country meet their unique obligations.

The IRS continues to add information, keeping all information current. Visiting their site may save you hours of frustration and confusion concerning tax responsibilities. It may also save you dollars through the proper reporting of federal taxes and increased self-sufficiency in meeting your tax obligations. ❖

QUESTIONS AND ANSWERS

Q. How do I pay myself? Do I write a check and deduct it from the companies profit during tax filing time?



A: First of all, we recommend that you have a separate business checking account. If your business is setup as a sole proprietorship, you would record your business income/expense on a Schedule C with your personal taxes. You should take a "draw" out of the business by writing a check from your business account and deposit the check in your personal account.

SBA

AMERICA'S SMALL BUSINESS RESOURCE

Sheila & Wes Heinert
Star Restaurant Equipment & Supplies

In early 2002, Wes and Sheila Heinert called on The Bismarck-Mandan SCORE Chapter seeking counseling assistance in preparing a business and financial proposal to purchase an existing restaurant supply business in Bismarck.



The Heinerts' quickly put together a comprehensive business plan, including five-year financial records. The projections were excellent, "almost too good", commented SCORE counselor, Duane Sorby. "In fact, we scaled them back quite a bit." The biggest challenge in developing the loan request was the fact that the seller had included goodwill in his asking price; lenders seldom, if ever, finance "goodwill". The buyers and sellers worked this out and Bank Center First secured a U.S. Small Business Administration (SBA) loan guarantee to make the project go!

Start Restaurant Equipment & Supplies officially opened on July 1, 2002 with Sheila as the majority owner. She had worked as a school health nurse, but quit to devote her time to the new business venture.

The company sells wholesale and retail restaurant equipment and all supplies, including paper products to offices, restaurant, liquor stores, nursing homes, schools and hospitals. They also have a Project Manager skilled in the CAD system who can assist in designing kitchens, seating, etc. for any project. The Heinerts are enthusiastic about their company and pleased to report that their sales have exceeded their expectations. They enjoy working together to build something they can be proud of. Along with this responsibility, they enjoy the flexibility that allows them to attend school activities with their children. They have expressed their appreciation to Sorby and SCORE for the outstanding assistance. ❖

Creating a Backup Routine

By: Sheri Weston
North Dakota District Office

A regular backup routine can save you time, money, and frustration, if your computer's hard drive crashes, you've inadvertently deleted a file, or a file has been corrupted by a virus.

The first thing to consider is what files need to be backed up. One strategy is to back up your entire hard drive – not just your data, but your applications and operating system as well. This is a good idea if you have enough disk or tape space to do it easily. On the other hand, if you have the installation CDs for your operating system, your essential applications, and any necessary device drivers, it's relatively simple, though time-consuming, to reinstall and reconfigure those components. What you absolutely need to save is your data: documents, spreadsheets, financial and accounting files. You may also want to save e-mail archives, address books, personal information manager files, and browser bookmarks or "favorites".

Data destruction or corruption can happen through user error, virus infection, and hardware failure. By investing a little time and money now, you can keep your important computer data – documents, spreadsheets, and financial information – safe from data disaster.

Once you've decided what to back up, you'll need to decide on the storage media. You could use tape; writeable or rewriteable CDs; a removable, external hard drive; a second, internal hard drive; a network server; or an Internet service. Be sure to choose a type that's large enough to hold at least one complete backup. Also keep in mind that the ideal backup is one that's safe even when a physical disaster strikes; a backup left at the office can be damaged or destroyed by a fire, flood, or other disaster.

There are also several companies that will backup your data using the Internet. Typically, users are charged a fixed subscription fee per month, for a specific amount of storage space. A broadband connection would be best for this type of backup. Also keep in mind that you can't necessarily restore

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In a recent presentation by Christine Martin, Director of the North Dakota Small Business Development Center, some very useful websites were introduced. You can get to these sites by clicking on the following links. The first link will give you access to all government agency "Wish Lists". The other links will go to those specific agencies.

- [Federal Marketplace](#)
 - [Department of Agriculture](#)
 - [Air Force](#)
 - [Department of Transportation](#)

Tip #3: Use FedBizOpps (<http://www.eps.gov>). This site lists almost all contracts over \$25,000.00 being solicited by the federal government. There are three or more ways to search this site. The first method is to search "ALL"; this may be something you do once to "get a feel", but it can easily cause information overload. It may be too much to provide useful information. The best method I have found when searching this website is to search by keyword (enter your products/service or zip code). Using this method you can find all solicitations for "Cheese", or "Computers", or "Socks" or Food Services". If you sell a specific product or service, you can most easily limit your search to these offerings by keyword search.

If you are interested in working with a particular agency, you can search by Agency. You can then check the site for contracts with the agency that fits your products or service.

Tip #4: Once you find a solicitation you are interested in . . . Print it out! Print the site and save all the information you find, as hardcopy.

When you find a contract on the internet, you often lose the link, lose the favorite, or when you go back to the site you can't find it again. For one reason or another, it has been removed. If you didn't print it out it could be gone forever.

Tip #5: Keep the name of the contact person and call and/or write them when you have questions.

Do NOT continually call them with one question at a time. Read the entire solicitation, write your questions and submit them all in one letter or email. Prior to doing this, check the solicitation website to see if these questions have been addressed by other

parties. There are times when a phone call can work best, but a written request with a written reply is much more reliable.

Tip #6: Check State Agency websites. To do business with state governments, make sure you are registered with the appropriate agency. North Dakota has a website (much like ProNet and CCR) specifically for the purpose of giving the state a search site for interested vendors. If you want to bid on state solicitations, you must be registered.

You can check out these state procurement agency sites by clicking on the following links: [North Dakota](#), [Montana](#), [Minnesota](#).

Tip #7: Check the sites often for updates and amendments. If amendments are made, you must make sure your bid reflects all amendments.

Tip #8: ProNet and CCR must be updated at least every 6 months. If you don't update your listing, it becomes inactive and is no longer listed.

Naturally being proficient finding and bidding on contracts is a long journey. Hopefully, these items will help shorten the trip. ♦

CALENDAR OF EVENTS

LEARN THE ABCs OF COLLECTING & REPORTING SALES TAX IN ND/MN – MAY 13, 2003

WEST ACRES SHOPPING CTR COMMUNITY ROOM, FARGO, ND
8:30AM – 12:30PM

CONTACT: CARLA VEITENHEIMER, (701)239-5045

This free workshop will help you know if you are required to register in ND or MN or both; have an awareness of the major differences between ND and MN sales tax laws; understand how these differences may affect your business; and learn practical tips on how to manage sales & use tax obligations for both states.

INCREASING COMPANY PERFORMANCE BY DECREASING COSTS – MAY 19, 2003

EIDO PRINTING, 307 BROWN AVE., MOTT, ND
8:00AM – 4:30PM

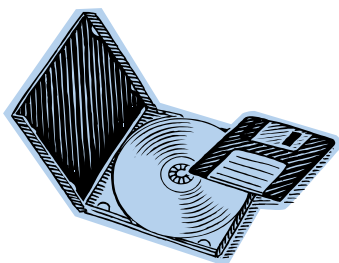
CONTACT: LISA KROGSTAD, (701)739-3330

Presentations by the North Dakota Department of Labor, North Dakota Tax Department, IRS, Social Security Administration, North Dakota Job Service, and North Dakota Workers Compensation. The cost of the workshop is \$20 and is sponsored by the North Dakota Small Business Development Center.

operating system files from this type of backup; Internet backup is really only intended for data files.

Once you have chosen your storage media, it's time to choose your backup software and organize a backup schedule. There are backup utilities that come with Microsoft Windows operating systems and they may be adequate for a very small or home-based business.

Other businesses may want the flexibility that third-party software offers. Some of these backup programs can operate in the background while the computer is in use; others must run when regular work is done. Most of the programs can be set to run automatically at certain times, days, and for selected files. Automation is perhaps the most important benefit of third-party backup programs since the easier it is to set up and run a backup, the more likely you are to use it. If you prefer to backup your entire hard drive, consider using a drive imaging program. When you restore a drive image, the contents of your hard drive will be exactly as they were when the image was made.



How often you run a backup depends upon how often you create or change files you can't afford to lose. Since many files won't change from day to day, you can save time and money by backing up only the ones that have been changed or created since the last time

you did a backup (this is called an incremental backup). Whether you decide to run a complete or incremental backup every day or once a week, the important thing is that you create a regular routine and stick to it.

A backup routine with depth will also retain older backups at specified intervals, because your most recent backup files could be corrupted by an undetected virus or other problems. Since storage media can be expensive, you'll want a rotation schedule that won't use more media than is necessary. Strategies have been developed that rotate backups on a schedule that will provide depth while balancing other needs. For additional information on rotation strategies and incremental backups, see the article "Backup Nice and Easy" by Neil J. Rubenking, in the September 3, 2002 issue of PC Magazine. ♦

www.BusinessLaw.gov

- *BusinessLaw.gov* is designed to help you find, understand and comply with the myriad of laws and regulations imposed by various agencies at every level of government.
- *BusinessLaw.gov* enables small businesses to access regulatory compliance assistance from the agencies that make the rules, learn about regulatory flexibility, fairness and notice requirements, and comment on regulations proposed by the EPA, OSHA, IRS, INS, DOL, DOT and DOI.
- *BusinessLaw.gov* creates, in one central location, links to credible sources of information on dozens of topics of general interest ranging from the most basic, such as licenses and permits, to highly specialized ones such as e-commerce and exporting.

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